AMENDMENT

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Strike section 1102.

Add at the end of subtitle B of title I the following:

1	SEC. 1106. ADOPTION TAX CREDIT.
2	(a) Clarification That Tribes Can Certify as
3	A CHILD WITH SPECIAL NEEDS.—Section 23(d)(3) is
4	amended by inserting "or Tribal government" after
5	"State" both places it appears.
6	(b) Credit Made Refundable.—The Internal
7	Revenue Code of 1986, as amended by section 1105, is
8	amended—
9	(1) by redesignating section 23 as section 36D
10	and
11	(2) by moving section 36D (as so redesignated)
12	from subpart A of part IV of subchapter A of chap-
13	ter 1 to the location immediately before section 37
14	in subpart C of part IV of subchapter A of chapter
15	1.
16	(c) Conforming Amendments.—

1	(1) Section 25(e)(1)(C) is amended by striking
2	"sections 23, 25D, and 1400C" and inserting "sec-
3	tions 25D and 1400C".
4	(2) Section 36D, as so redesignated, is amend-
5	ed—
6	(A) in subsection (b)(2)(A), by striking
7	"(determined without regard to subsection
8	(e))";
9	(B) by striking subsection (c); and
10	(C) by redesignating subsections (d)
11	through (i) as subsections (c) through (h), re-
12	spectively.
13	(3) Section 137 is amended—
14	(A) in subsection (d), by striking "section
15	23(d)" and inserting "section 36D(c)"; and
16	(B) in subsection (e), by striking "sub-
17	sections (e), (f), and (g) of section 23" and in-
18	serting "subsections (d), (e), and (f) of section
19	36D".
20	(4) Section 1016(a)(26) is amended by striking
21	"23(g)" and inserting "36D(f)".
22	(5) Section 6211(b)(4)(A) is amended by insert-

1	(6) The table of sections for subpart A of part
2	IV of subchapter A of chapter 1 is amended by
3	striking the item relating to section 23.
4	(7) Paragraph (2) of section 1324(b) of title
5	31, United States Code, as amended by this Act, is
6	amended by inserting "36D," after "36C,".
7	(8) The table of sections for subpart C of part
8	IV of subchapter A of chapter 1, as amended by this
9	Act, is amended by inserting after the item relating
10	to section 36C the following new item:
	"Sec. 36D. Adoption expenses.".
11	(d) Effective Date.—The amendments made by
12	this section shall apply to taxable years beginning after
13	the date of the enactment of this Act.
13 14	the date of the enactment of this Act. SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT
14	SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT
14 15	SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT.
141516	SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT. (a) IN GENERAL.—Paragraph (2) of section 21(a) is
14151617	SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT. (a) IN GENERAL.—Paragraph (2) of section 21(a) is amended to read as follows:
14 15 16 17 18	SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT. (a) IN GENERAL.—Paragraph (2) of section 21(a) is amended to read as follows: "(2) APPLICABLE PERCENTAGE.—For purposes
14 15 16 17 18 19	SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT. (a) IN GENERAL.—Paragraph (2) of section 21(a) is amended to read as follows: "(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage'
14 15 16 17 18 19 20	SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT. (a) IN GENERAL.—Paragraph (2) of section 21(a) is amended to read as follows: "(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent reduced (but not below 20 per-
14 15 16 17 18 19 20 21	CARE TAX CREDIT. (a) In General.—Paragraph (2) of section 21(a) is amended to read as follows: "(2) Applicable percentage.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent reduced (but not below 20 percent) by 1 percentage point for each \$2,000 (or frac-
14 15 16 17 18 19 20 21 22	CARE TAX CREDIT. (a) In General.—Paragraph (2) of section 21(a) is amended to read as follows: "(2) Applicable percentage.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent reduced (but not below 20 percent) by 1 percentage point for each \$2,000 (or fraction thereof) by which the taxpayer's adjusted gross

1	(1) in paragraph (1), by striking "\$3,000" and
2	inserting "\$6,000"; and
3	(2) in paragraph (2), by striking "\$6,000" and
4	inserting "\$12,000".
5	(c) Special Rule for Married Couples Filing
6	SEPARATE RETURNS.—Section 21(e)(2) is amended to
7	read as follows:
8	"(2) Married couples filing separate re-
9	TURNS.—In the case of a taxpayer that is married
10	at the close of the taxable year and files as married
11	filing separate return for such year—
12	"(A) the credit allowed by this section shall
13	be determined as if the taxpayer filed a sepa-
14	rate return for the taxable year, except that
15	"(B) the limits in subsections (a) and (c)
16	shall be applied as if the taxpayer was married,
17	except that the total amount of the credit al-
18	lowed under this section to both spouses shall
19	not exceed the amount that would be allowable
20	if both spouses filed married filing jointly.
21	The Secretary shall prescribed regulations or other
22	guidance to carry out this subsection.".
23	(d) Adjustment for Inflation.—Section 21 is
24	amended—

1	(1) by redesignating subsection (f) as sub-
2	section (g); and
3	(2) by inserting after subsection (e) the fol-
4	lowing new subsection:
5	"(f) Inflation Adjustment.—
6	"(1) IN GENERAL.—In the case of a calendar
7	year beginning after 2018, the \$120,000 amount in
8	paragraph (2) of subsection (a) and the dollar
9	amounts in subsection (c) shall each be increased by
10	an amount equal to—
11	"(A) such dollar amount, multiplied by
12	"(B) the cost-of-living adjustment deter-
13	mined under section $1(f)(3)$ for the calendar
14	year in which the taxable year begins, deter-
15	mined by substituting 'calendar year 2017' for
16	'calendar year 1992' in subparagraph (B)
17	thereof.
18	"(2) ROUNDING.—If any dollar amount, after
19	being increased under paragraph (1), is not a mul-
20	tiple of \$100, such dollar amount shall be rounded
21	to the next lowest multiple of \$100.".
22	(e) Credit To Be Refundable.—
23	(1) In General.—The Internal Revenue Code
24	of 1986 is amended—

1	(A) by redesignating section 21 as section
2	36C; and
3	(B) by moving section 36C, as so redesig-
4	nated, from subpart A of part IV of subchapter
5	A of chapter 1 to the location immediately be-
6	fore section 37 in subpart C of part IV of sub-
7	chapter A of chapter 1.
8	(2) Technical amendments.—
9	(A) Paragraph (1) of section 23(f) is
10	amended by striking "21(e)" and inserting
11	"36C(e)".
12	(B) Paragraph (6) of section 35(g) is
13	amended by striking "21(e)" and inserting
14	"36C(e)".
15	(C) Paragraph (1) of section 36C(a) (as
16	redesignated by paragraph (1)) is amended by
17	striking "this chapter" and inserting "this sub-
18	title".
19	(D) Subparagraph (C) of section 129(a)(2)
20	is amended by striking "section 21(e)" and in-
21	serting "section 36C(e)".
22	(E) Paragraph (2) of section 129(b) is
23	amended by striking "section 21(d)(2)" and in-
24	serting "section 36C(d)(2)".

1	(F) Paragraph (1) of section 129(e) is
2	amended by striking "section 21(b)(2)" and in-
3	serting "section 36C(b)(2)".
4	(G) Subsection (e) of section 213 is
5	amended by striking "section 21" and inserting
6	"section 36C".
7	(H) Subparagraph (H) of section
8	6213(g)(2) is amended by striking "section 21"
9	and inserting "section 36C".
10	(I) Subparagraph (L) of section
11	6213(g)(2) is amended by striking "section 21,
12	24, or 32," and inserting "section 24, 32, or
13	36C,".
14	(J) Paragraph (2) of section 1324(b) of
15	title 31, United States Code, is amended by in-
16	serting "36C," after "36B,".
17	(K) The table of sections for subpart C of
18	part IV of subchapter A of chapter 1 is amend-
19	ed by inserting after the item relating to section
20	36B the following:
	"Sec. 36C. Expenses for household and dependent care services necessary for gainful employment.".
21	(L) The table of sections for subpart A of
22	such part IV is amended by striking the item
23	relating to section 21.

- 1 (f) Effective Date.—The amendments made by
- 2 this section shall apply to taxable years beginning after
- 3 December 31, 2017.
- 4 SEC. 1108. CORPORATE RATE INCREASE TO ACHIEVE REV-
- 5 ENUE NEUTRALITY.
- 6 (a) In General.—The rate of tax specified in sec-
- 7 tion 11(b)(1) of the Internal Revenue Code of 1986 (after
- 8 the amendment made by section 3001(a)) shall be in-
- 9 creased by such number of percentage points as is nec-
- 10 essary to fully offset the aggregate reduction in Federal
- 11 revenues which result from the amendments made by sec-
- 12 tions 1106 and 1107 and striking sections 1102, 1404,
- 13 and 1406 made by this amendment.
- 14 (b) Effective Date.—Subsection (a) shall apply as
- 15 if such provision were an amendment made by section
- 16 3001(a).

Strike section 1404.

Strike section 1406.

